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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, D.C. 20554

Re: Ameritech Michigan Application for InterLATA Authorization
CC Docket No. 97-137

Dear Mr. Caton:

This ex parte communication is to summarize the substance of a conference call held on July 14, 1997, between representatives of Teleport Communications Group Inc. ("TCG"), and counsel for the Federal Communications Commission ("FCC" or "Commission"). On the call from TCG were Madelon Kuchera, Jim Washington, Doug Trabaris, Mike Pelletier and the undersigned. Ms. Melissa Waxman and Sarah Whitesell participated on behalf of the FCC.

On the call, we discussed TCG's severe network trunking problems in Michigan. In addition, TCG rebutted the assertions contained in Ameritech's reply affidavits regarding the network blocking problems in Ameritech Michigan experienced by TCG.

TCG submitted considerable evidence in its Comments regarding Ameritech's failure to adequately manage trunks in its own network. This failure results in traffic originated by Ameritech's customers and intended to be terminated on TCG's network being blocked by Ameritech's failure to provision enough trunks.[1] Thus, TCG calls were being blocked in far greater numbers than is acceptable. Moreover, Ameritech's refusal to implement two-way trunks, and the fact that Ameritech's interconnection policies produced a single point of failure at each point of interconnection deployed by Ameritech (despite TCG's protests) also result in degraded and inferior network performance, in violation of Ameritech's obligations under the Telecommunications Act of 1996.

TCG noted in its Comments that under the performance parity requirements of the Telecommunications Act of 1996 ("Act"),[2] Ameritech's blockage of traffic destined to

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[1]TCG Comments at 4.

[2]47 U.S.C. §251(c)(2)(C)(1996).

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TCG's end office switch can be no greater than the blockage of traffic to an Ameritech end office switch. TCG's affiant, Michael Pelletier, a Michigan-based employee of Ameritech until mid-1996, presented evidence that Ameritech does not provide itself with such substandard trunking.[3] As TCG explained in its Comments, Ameritech has thus failed to meet the Section 271 checklist requirements because it has provided its competitors with interconnection in an manner inferior to how it provisions such service to itself.[4]

Ameritech has also failed to resolve the trunk blocking issue in a timely manner. Despite a number of meetings over the course of many months, problems remain. For example, despite informally reaching an agreement on May 1, 1997, that Ameritech would finally fix its trunk blocking problems, TCG discovered three weeks later that Ameritech had reneged on its commitment to repair first those portions of its network that most adversely affect TCG.[5] Rather, Ameritech only committed to fix the affected offices in alphabetical order, even though such an arbitrary approach to prioritizing its work would necessarily mean that more egregious and important problems must wait while less significant, but "alphabetically advantaged" problems received priority attention.

In Ameritech's reply comments, the company contends that the trunk blocking problem is not as significant as TCG alleged. In addition, Ameritech asserts that its trunk blocking problem is essentially fixed, as May, 1997 Michigan-specific data allegedly indicates.[6]

Ameritech's reply affidavits, however, contain misleading analysis and multiple errors. For example, Ameritech offers a chart that purports to show that significant blocking of TCG traffic does not occur on its network.[7] This chart, however, only provides trunk blocking information in the form that a certain percent of Ameritech trunks experienced more than 2% blocking. This information, however, is insufficient and misleading for several reasons.

First, the chart does not distinguish what types of trunks experienced blocking, or how many individual trunks were blocked. Thus, if there is one trunk group with 1,000

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[3]Affidavit of Michael Pelletier, attached to TCG's Comments as Exhibit A.

[4]Section 271(c)(2)(B)(i).

[5]TCG Comments at p. 6.

[6]Joint Reply Affidavit of John B. Mayer, Warren L. Mickens, and Joseph A. Rogers at pp. 33-55 ("Joint Reply Affidavit").

[7]Joint Reply Affidavit at pp. 43-44.

trunks and ten trunk groups with five trunks, a statement that only one trunk group experienced blocking means an entirely different thing depending on which group was affected.

Second, Ameritech's data focuses only on blocking problems experienced during its system busy hour.[8] This information does not indicate if any blocking occurs outside the busy hour. Given the high levels of blocking that TCG believes was experienced by Ameritech customers trying to reach TCG customers, TCG believes its trunks have been so undersized that blocking may very likely have occurred outside of the busy hour on TCG's trunks, a fact that Ameritech's data would render invisible. Only a count of actual total calls blocked during a representative period indicate whether TCG receives comparable blocking services.

Third, Ameritech's information breaks out calls into two categories: intraLATA and interLATA calls. There are, however, three kinds of one way trunking that run between TCG and Ameritech: (1) local (2) intraLATA and (3) interLATA. Thus, it appears local and intraLATA calls are aggregated in Ameritech's analysis, thus diluting the nature of the local call blocking problem. Indeed, since half the trunks run from TCG to Ameritech, and TCG has not experienced any significant blocking within its own network, half of the trunk groups in the sample will show no blocking, artificially inflating Ameritech's performance. TCG believes that, were Ameritech to provide meaningful blocking data on the trunks and trunk groups that bring Ameritech customers' local traffic to TCG, its performance would look much poorer.

Fourth, Ameritech's chart only indicates which percentage of trunks were more than 2% blocked; what is missing is the exact amount of blocking. That is, the chart does not tell the Commission whether TCG's traffic is blocked on each trunk 2.1% of the time or 52.1% of the time. The chart, then, omits the most important fact at issue: <u>what number of Ameritech-to-TCG calls were blocked on Ameritech's network versus the number of Ameritech-to-Ameritech calls that were blocked.</u> Such information is the only way to determine whether TCG is obtaining parity in interconnection, as is required by sections 251(c)(2)(C) and 271(c)(2)(B)(I) of the Act. Call completion data can only come from Ameritech, since the trunk blocking problem occurs on their network. The absence of such data in Ameritech's voluminous reply comments and affidavits is surprising.

Ameritech's own data also shows that it has no legitimate track record in providing TCG (and other competitive local exchange carriers) with parity in interconnection. Ameritech points with apparent -- if surprising -- pride to what purports to be evidence showing a "dramatic" improvement in service levels for May, 1997.[9] According to

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[8]Joint Reply Affidavit at p. 38.

[9]Joint Reply Affidavit at p. 37.

Ameritech, the results are "significantly better" in Michigan.[10] Even if the Commission accepts Ameritech's seriously flawed evidence to be valid, a single month's worth of results is not a statistically significant indication that TCG is receiving parity in interconnection. Indeed, what the single month's evidence could show is how Ameritech can use "brute force" to temporarily fix serious network problems in Michigan for a short period of time, faced with the need to put forward its "best face" for its Section 271 application. Whether Ameritech's performance in May represents real progress is anyone's guess.

As it stated in its comments, TCG urges the Commission to obtain performance parity data for at least six months.[11] Only in this fashion can the Commission determine whether Ameritech is truly offering parity in interconnection on a consistent, ongoing basis.

Ameritech also has changed some of its trunk blocking data, arguing that it performed an audit and "discovered" that its earlier information had "erroneously included some non-final EOI trunk groups."[12] This fortuitous discovery requires careful substantiation. TCG recommends that the Commission require an independent audit of Ameritech's trunking information, and not rely on the "corrected" data.[13]

The Commission should be aware that Ameritech still is only slowly fixing its affected offices and in alphabetical order, not in order of importance. This misplaced prioritization continues despite meetings between the companies where TCG repeatedly pointed out that this solution is grossly inadequate. Clearly, this practice does not constitute sound network planning, and is certainly contrary to how Ameritech fixes problems affecting its own end user customers, and again is contrary to its obligations under the Act.

Another major problem with Ameritech's provision of trunking services is its refusal to implement two-way traffic routing. Ameritech contends that it has reached agreement

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[10]Id. A cynic would have a field day with the "happy coincidence" that Michigan trunk blocking data is somehow better than what occurs in the other states in which Ameritech operates.

[11]TCG Comments at p. 11.

[12]Joint Reply Affidavit at p. 37.

[13]TCG has requested that Ameritech provide it with frequent and timely trunk blocking information so that TCG can evaluate the level of service it is receiving. Ameritech has not chosen to provide such information to TCG. Not until Ameritech sought Section 271 authority did any such information become available.

with TCG to correct this issue.[14] It is "technically" true that two-way trunks between the companies are being installed. However, Ameritech refuses to use the trunks in a two way manner. As admitted in the Joint Reply Affidavit, Ameritech is continuing to require for the indefinite future that all traffic be routed in only one direction on these "two way" trunks. They are, therefore, two-way in name only. Thus, TCG is still being forced to still have six one way trunk groups with Ameritech for each point of interconnection, leading to a more expensive network solution[15] and one more prone to blocking due to the smaller size of its trunk groups. Ameritech's purported "solution" is therefore completely inadequate and completely contrary to TCG's wishes.

I believe that the foregoing fairly reflects the substance of our discussions, and demonstrates that Ameritech's claims that its trunk performance satisfies the statutory standard is without merit. Please feel free to call me if I can be of any assistance regarding the subject of this letter, or if additional information is required. Thank you.

Very truly yours,

J. Manning Lee/CAR

J. Manning Lee
Vice President, Regulatory Affairs

cc: Ms. Waxman
Ms. Whitesell

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[14]Joint Reply Affidavit at p. 51.

[15]To achieve the same probability of blocking with the same amount of traffic requires many more trunks when separate and unidirectional trunks are used than when a single two way trunk group is used. Because more trunks are needed, the cost is higher to TCG, which must dedicate more switch ports to the traffic than would be the case if larger two way trunks were used.